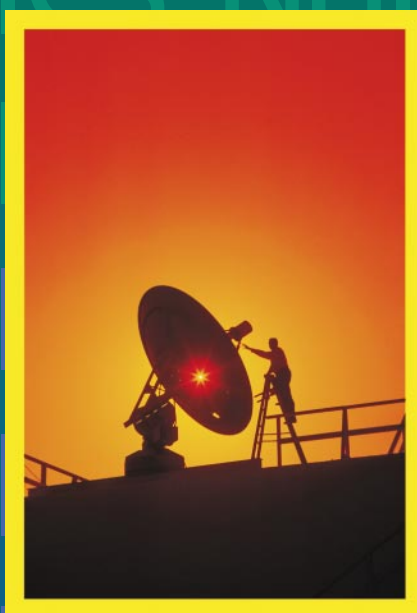
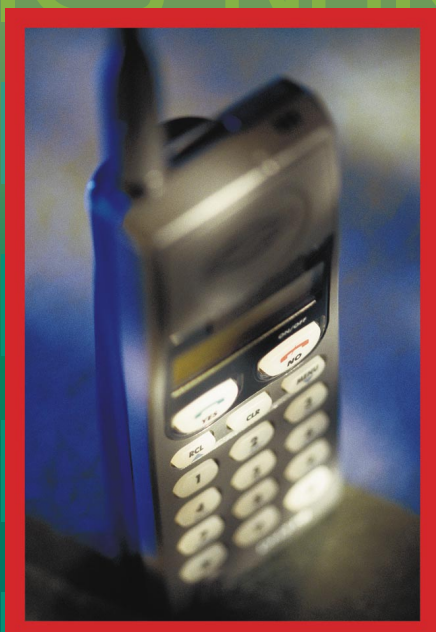




New Data for a New Economy



Economic Classification Policy Committee

How Is NAICS Better?

NAICS will make economic statistics more useful. It will improve basic benchmark and current performance statistics, like manufacturers' shipments, retail sales, and service receipts. It will improve statistics by providing an all-new industry classification system that is more:

Relevant. NAICS identifies new industries, revises concepts, and reorganizes classifications so that industry-classified statistics highlight businesses that contribute most to our economy.

Consistent. NAICS classifies businesses into industries based on one principle instead of several; the principle that businesses using similar production processes are classified together.

Comparable. NAICS provides first-ever comparability in North American industry classifications and economic statistics; it was developed jointly by the United States, Canada, and Mexico.

Flexible. NAICS classifications will be updated regularly to keep pace with changes in our economy; every 5 years, all three North American countries will review NAICS and make needed revisions.

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This icon identifies key resources for NAICS users including:

The United States Manual
Federal agency plans
Official WWW sites
1997 bridge tables

NAICS: New Data for a New Economy



North America has an all-new system for classifying businesses and reporting industry statistics. It replaces the previous systems, identifies many new industries and will be updated regularly. It also will change U.S. industrial statistics and how they are used. This booklet provides an overview of the new system, how it will be implemented, what it can do, and what adjustments may be needed to use it. *More information is available by calling 1-800-553-6847 to purchase a technical manual, visiting the Internet site at www.census.gov/naics, or calling an industry classification expert at 1-888-75NAICS.*

Background



After 60 years of service, the outdated Standard Industrial Classification (SIC) system was retired and replaced by the new North American Industry Classification System (NAICS, pronounced "nakes"). A technical manual is available with definitions, comparability tables, and an index. The first NAICS-based United States statistics are 1997 Economic Census data scheduled for release in early 1999. Other official statistics will change over to

NAICS in phases during the next several years.

NAICS is a "clean slate" revision of the system we use to classify businesses by industry. Unlike previous SIC revisions, the NAICS changes are fundamental. They recognize hundreds of new businesses in our economy, primarily in the fast-growing service sector. They classify industries based on one consistent economic principle rather than several. And they were developed jointly by the United States, Canada, and Mexico, introducing first-ever comparability across North America.

NAICS is the product of extensive official and public deliberation. System plans, concepts, revision proposals, and a complete proposed system were detailed in numerous Federal Register notices issued from 1994 through 1996. After considering all public comments, the notice making NAICS effective in the United States was published in April 1997. *The North American Industry Classification System—United States, 1997* (hereafter called the "NAICS United States Manual") was published in mid-1998.

NAICS classifications will be updated regularly to keep pace with changing business conditions and information needs. In adopting NAICS, all three North American countries agreed to review the system and its use every 5 years. This commitment assures that NAICS will be changed as needed to recognize emerging businesses, increase international comparability, and improve data utility.

New Industry Classifications

NAICS United States provides 1,170 detailed United States industry classifications, a 15-percent increase in total classifications compared to those available under the SIC. NAICS United States also replaces or revises some 60 percent of the previously available SIC industries. It provides 358 new industries the SIC did not identify, 390 that are revised from their SIC counterparts, and 422 that continue substantially unchanged. The result is expanded and revised industry classifications that mirror businesses in our modern economy. **Table 1** provides examples of new industries identified in NAICS United States.

New NAICS industries catalog the many ways our economy has changed. Some recognize

Table 1. New NAICS United States Industries

Semiconductor machinery manufacturing
Fiber optic cable manufacturing
Software reproducing
Convenience stores
Gasoline stations with convenience stores
Warehouse clubs and superstores
Food (health) supplement stores
Pet and pet supply stores
Pet care services
Cable networks
Satellite telecommunications
Paging
Cellular and other wireless telecommunications
Telecommunications resellers
Credit card issuing
Temporary help services
Telemarketing bureaus
Hazardous waste collection
HMO medical centers
Continuing care retirement communities
Casinos
Casino hotels
Bed-and-breakfast inns
Limited-service restaurants
Automotive oil change and lubrication shops
Diet and weight reducing centers

“high-tech” developments such as fiber optic cable manufacturing, cellular telecommunications, and computer software reproduction. Some reflect new businesses, like paging and environmental consulting. Still others account for changes in the way business is done, like bed-and-breakfast inns, warehouse clubs, telemarketing bureaus, and credit card issuance.

The 422 industries that NAICS United States does not change have direct counterparts in the SIC. In addition, 38 of the new NAICS United States industries can be identified in the SIC. These are NAICS industries that reflect complete subdivisions of prior SIC industries. For example, Refuse Systems (SIC 4953) was fully divided among five new NAICS United States industries. These industries can be combined to create the former SIC industry. However, 710 other new or revised NAICS United States industries have no SIC counterparts, and these industries are not directly traceable to previous SIC classifications.

More Economic Sectors

NAICS doubles the number of top-level groupings of industrial classification. The highest level of NAICS industrial classification is called “sector” and it is similar to the previous SIC “division” classification. NAICS groups industries in our economy into 20 broad sectors, compared to only 10 divisions in the SIC. **Table 2** lists each SIC division and shows it next to the new NAICS sector(s) to which it is most closely related.

Changes in NAICS classifications are greater than is suggested by the similarity of some sector and division descriptive titles. No NAICS sector has the same subsector classification groupings or detailed industries as its SIC predecessor. For example, Construction is the least-changed sector in NAICS United States. It has three subsectors that are similar to the SIC; however, 3 of its 28 detailed industries are new, and 14 are revised. To understand the changes in NAICS, and

Table 2. SIC Divisions vs. NAICS Sectors

Division title	Sector title
Agriculture, Forestry, and Fishing	Agriculture, Forestry, Fishing, and Hunting
Mining	Mining
Construction	Construction
Manufacturing	Manufacturing
Transportation, Communications, and Public Utilities	Utilities Transportation and Warehousing
Wholesale Trade	Wholesale Trade
Retail Trade	Retail Trade Accommodation and Food Services
Finance, Insurance, and Real Estate	Finance and Insurance Real Estate and Rental and Leasing
Services	Information Professional, Scientific, and Technical Services Administrative and Support and Waste Management and Remediation Services Educational Services Health Care and Social Assistance Arts, Entertainment, and Recreation Other Services (except Public Administration)
Public Administration	Public Administration
None (previously, categories within each division)	Management of Companies and Enterprises

their implications, it is necessary to consider them sector by sector.

Major Changes by Sector

Providing additional sector-level groupings means that NAICS classifications can better reflect key business activities and chronicle their changes. It also means that users need to learn each new sector's structure and components. For example, NAICS provides seven sectors to better reflect services-producing businesses that were previously combined in one "omnibus" SIC division (the Services division). These new sectors and their components are as follows:

- **Information.** This sector recognizes the emergence and uniqueness of businesses in our "information economy." It consists of 34 U.S. industries that produce information and cultural products, disseminate information or products, and process data. Twenty of them are new, including sound recording studios, cable program distributors, and database and directory publishers. Others reflect revision or reorganization of SIC industries.



- **Health Care and Social Assistance.** This sector recognizes that health care and social assistance services are increasingly interrelated. This sector has 39 separate U.S. industries; 27 of them are new, and 1 was transferred from another SIC division. New industries include diagnostic imaging centers, family planning centers, and community food services.

- **Professional, Scientific, and Technical Services.** This sector covers businesses that use expert or skilled persons to provide specialized business and personal services. It has 47 U.S. industries; 28 of them are new, and 7 transferred from other SIC divisions. New industries include interior design, environmental consulting, and translation and interpretation services.

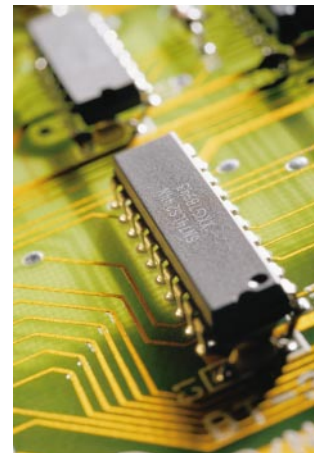


- **Arts, Entertainment, and Recreation.** This sector includes most businesses engaged in meeting the cultural, entertainment, or leisure interests of their patrons. It has 25 U.S. industries; 19 of them are new and 2 transferred from other SIC divisions. New industries include dance companies, events promoters, and golf courses and country clubs.

- **Educational Services,** which reorganizes U.S. industries from the previous Services division into 17 industries (12 of them new); **Administrative and Support and Waste Management and Remediation Services,** which identifies 43 industries from 4 SIC divisions (29 of them new); and **Other Services,** which consists of 49 industries from 4 previous divisions (19 of them new).

In addition, NAICS makes other changes in the classification of businesses that produce or distribute goods, and in the structure of service businesses. Examples of other major changes involving sector-level classifications of these businesses include:

- **Manufacturing.** This sector substantially restructures previous manufacturing classifications, primarily to recognize emerging businesses and increase comparability with Canada and Mexico. The sector has 474 industries, of which 79 are new, and 186 are revised. It features a new Computer and Electronic Product Manufacturing subsector, which covers makers of computer, peripheral, communication, and other electronic products. It also includes on-site bakeries (transferred from the SIC Retail Trade division), and transfers publishing and logging industries to nonmanufacturing sectors.
- **Accommodation and Food Services.** This new sector recognizes that lodging and food services are often provided at the same location. It combines hotels and other lodging places (from the SIC Services division) with eating and drinking places (from the SIC Retail Trade division) and consists of 15 industries, 10 of which are new. New industries include limited-service restaurants and food service contractors. This change could significantly affect reported statistics because eating and drinking places accounted for about 10 percent of previously reported Retail Trade division sales.



Revised Classification Concepts

NAICS changes key classification concepts and definitions. These technical changes can substantially affect how businesses are classified and the number and kind of businesses included in particular classification groupings. Some of these changes can be identified in new NAICS classification titles and groupings. However, others are not evident in this NAICS nomenclature. Examples of concept and definition changes include:

- **Production-based business classification.** NAICS classifies each business into a detailed industry based on the production processes it uses. Previously, some businesses were classified on the basis of their production processes, but others were classified using different principles, such as class of customer. For industries not previously classified based on their production processes, reclassification under NAICS can substantially change how many and which businesses are included.



changed the “boundary” between NAICS Retail and Wholesale Trade sectors. These businesses were classified in the SIC based on what kind of customers they served. NAICS classifies them, instead, based on how each business operates. Retailers typically sell merchandise in small quantities using public-oriented methods like mass media advertising, high-traffic locations, and attractive displays. Wholesalers sell goods in large quantities using business-oriented methods like specialized catalogs, customer contacts, and warehouse or office locations. This concept provides more meaningful classifications and statistics for each sector, but it also changes them. For example, over half the petroleum bulk stations previously classified as wholesalers now will be classified as retailers.

- **Reclassification of auxiliary establishments.** “Auxiliary” establishments provide services, such as personnel, data processing, or transportation to other organizations within the same company. Auxiliaries were previously classified in the same industry as their parent companies.

NAICS classifies auxiliaries based on the kind of services they provide. This new definition provides better information about service activities but also changes both affected industries. For example, in 1992, manufacturing company auxiliaries employed an estimated 1 million persons and retail auxiliaries nearly 850,000. Most of these employees will now be reclassified into service industries.



All-New Numbering System

Numeric codes for each NAICS classification are completely different from those of the SIC. The new numbering system underscores the “clean slate” approach taken in NAICS and allows its classification changes to be fully developed. The new system provides five levels of classification (up from four in the SIC), detailed codes that have a maximum of six-digits (up from four in the SIC) and detailed classifications called “U.S. Industry” (instead of “Industry” in the SIC). These changes require new numbers, even for industries that continue without change. For example, both NAICS and the SIC include the detailed industry, “Passenger car rental.” However, in NAICS, it has code number 532111, and in the SIC, it was code number 7514.

While all NAICS numeric codes are new, like the SIC, they are organized into multi-level hierarchical classification groups that build up from the detailed industry level. The additional level of classification and expanded number of digits permit NAICS to account for the increased number of classifications, provide flexibility in structuring industry classification groups, and allow for country-based variations in classification detail. **Table 3** illustrates the NAICS hierarchical structure and numeric codes for one “continued” and one new sector.

The sixth digit of a NAICS classification may be used differently in the United States, Canada, and Mexico. The NAICS agreement fixes only the first five digits for use by all three countries. The sixth digit is for optional use by each country to reflect economic and information differences. The United States and Canada have agreed to use many of the same six-digit classifications for comparable industries and to avoid using the same six-digit codes for classifications that are not directly

Table 3. **NAICS Hierarchy and Codes**

Level	Continued sector		New sector	
	Code	Title	Code	Title
Sector	31-33	Manufacturing	51	Information
Subsector	334	Computer and Electronic Product Manufacturing	513	Broadcasting and Telecommunications
Industry Group	3346	Manufacturing and Reproducing of Magnetic and Optical Media	5133	Telecommunications
Industry	33461	Manufacturing and Reproducing of Magnetic and Optical Media	51332	Wireless Telecommunications Carriers (except Satellite)
U.S. Industry	334611	Reproducing of Software	513321	Paging

comparable (this causes gaps in the numbering of some U.S. industries). The systems within the three countries are published as NAICS Canada, NAICS (SCIAN in Spanish) Mexico, and NAICS United States.

Federal Agency Implementation



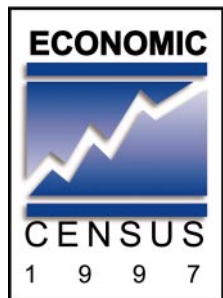
NAICS United States has been adopted for statistical use by all federal agencies. Government-wide implementation is underway and will continue at least through the year 2004. Agency

implementation plans and schedules differ, reflecting differences in program design, available resources, and other factors. In general, NAICS changes will be implemented first in comprehensive less frequent data programs and last in sample-based more frequent programs. For example, early implementation is underway for the 1997 Economic Census, and later action is planned for the 2004 Producer Price Index program. **Table 4** illustrates selected NAICS implementation plans in four major federal agencies.

Table 4. **Selected U.S. Agency Implementation Plans**

	Availability
Bureau of the Census	
1997 Economic Census (every 5 years)	1999
1998 County Business Patterns (annual)	2000
1998 Annual Survey of Manufactures	2000
2001 Manufacturers' Shipments, Inventories, and Orders (monthly)	2001
1999 Annual Retail Trade	2001
Bureau of Economic Analysis	
1997 Foreign Direct Investment Benchmark (every 5 years)	1999
1998 Annual Foreign Direct Investment Survey	2000
1997 Benchmark Input-Output Accounts (every 5 years)	2002
2000 Annual U.S. Direct Investment Abroad Survey	2002
2001 Gross State Product by Industry (annual)	2003
Bureau of Labor Statistics	
2000 Employment and Wages Report (annual)	2001
2002 Current Employment Statistics Survey (monthly)	2003
2002 Occupational Employment Statistics (annual)	2003
2004 Producer Price Index (monthly)	2004
Internal Revenue Service	
1998 Income Tax Forms (annual)	1999

Economic Census Implementation



The 1997 Economic Census has a unique role in implementing NAICS in the United States. It will provide the first economy-wide NAICS-based statistics; it will include the breadth and depth of information needed to classify virtually all business establishments; and many agencies will use it to redesign and benchmark other economic statistics programs. Indeed, the schedule for developing NAICS was often determined by the goal of having the new system available for use in the 1997 Economic Census.



The 1997 Economic Census questionnaires were designed to permit the classification of each establishment (that is, business location) according to both NAICS and the SIC. Confidentiality and budget limitations mean that most 1997 census statistics will be published only on a NAICS basis. However, three census publications will provide basic data (establishment counts, employment, payroll, and receipts) for classifications on a NAICS and/or SIC basis. These publications cover U.S. businesses with payrolls and are as follows:

- **The Advance Report**, which will provide the basic data for the United States for two-, three- and four-digit NAICS classifications (for 1997) and two- and three-digit SIC classifications (for 1992 and 1997). It is scheduled to be available in early 1999.
- **The Comparative Statistics Report**, which will provide the basic data for the United States and each state for two- through four-digit SIC classifications (for 1992 and 1997). It is scheduled for release in early 2000.
- **The Bridge Between NAICS and SIC Report**, which will tabulate the basic data for the United States (for 1997) by six-digit NAICS classification with distribution among related four-digit SIC classifications and also by four-digit SIC classification with distribution among related six-digit NAICS classifications. It will be available in early 2000.

Another 1997 census report will provide selected NAICS-based statistics for U.S. businesses without payrolls. The *Nonemployer Statistics Report* will tabulate number of establishments and receipts data, for the United States and each state, and for

all nonemployers by six-digit NAICS classification (for 1997). It will be available in mid-2000.

For cost and technical reasons, the 1997 censuses of Puerto Rico and other outlying areas, the 1997 Business Expenditures Survey, the 1997 surveys of minority- and women-owned business, and the 1997 Commodity Flow Survey will provide only SIC-based results. In addition, the Vehicle Inventory and Use Survey does not classify data by industry and will not include NAICS-based results.

As with previous SIC revisions, 1997 Economic Census data for counties, cities, and other substate areas will be published only on a NAICS basis. The Census Bureau may consider producing SIC-based tabulations for selected substate areas with reimbursement and subject to rigorous confidentiality protections.

Implementation in Current Surveys

Federal agencies will implement NAICS United States in hundreds of statistical and nonstatistical programs during the next several years. In addition, countless other public and private sector organizations that use industrial statistics will need to consider the implications of NAICS for their activities. An example of the kind of change that may be required is seen in the Census Bureau's plan to implement NAICS in its program of more than 100 current economic surveys. Planned changes depend heavily on the use of 1997 census results, include the rebuilding of underlying infrastructure systems (such as the master business list) and will result in substantial changes in industry coverage, data content, and published reports.

The Census Bureau's approach was to work with primary data users to identify priority needs in program coverage and content, assess what program changes and enhancements would best meet these needs, and develop plans to effect needed changes as early and efficiently as possible. Based on this approach, NAICS United States will be implemented first in programs that require minimal change, next in annual programs that need more substantial changes and support other programs, and finally in current indicator and other more frequent data programs. NAICS-based survey data will first be available in mid-2000 and continue to be released for about 2 years.

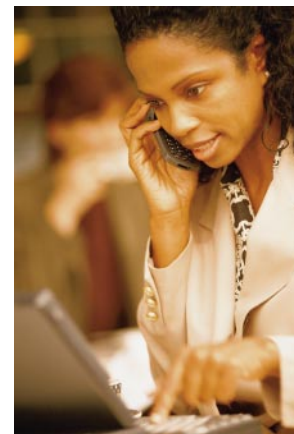


Table 5. **NAICS Changes in Selected Surveys**

Survey	Changes	Schedule
Current Industrial Reports (CIR; annually, quarterly, and monthly)	Product codes will be NAICS-based; annual reports will change first, more frequent reports 1 year later.	SIC codes for annuals through 1997; NAICS changes start with 1998 (available by June 1999).
Annual Survey of Manufactures (ASM)	Industries covered will reflect restructured NAICS Manufacturing sector.	SIC coverage through 1997; NAICS changes start with 1998 (available June 2000).
County Business Patterns (CBP, annually)	Reports will reflect NAICS sectors, industries and other structural changes.	SIC structure through 1997; NAICS changes start with 1998 (available by July 2000).
Annual Capital Expenditures Survey (ACES)	Reports will include more industry categories (some 1998 data may be recast to NAICS basis).	SIC categories through 1998; NAICS changes start with 1999 (available February 2001).
Transportation Annual Survey (TAS, will be replaced by new SITS)	Industry coverage will reflect NAICS subsector structure and continue in new SITS; expenses detail will be dropped (new survey will get 1998/99 data).	SIC coverage and content through 1998; NAICS changes start with 1998/99 in SITS Transportation sector report (available December 2000).
Service Annual Survey (SAS, will be replaced by new SITS)	Industry coverage will include finance, exclude accommodation, and continue in new SITS; selected receipts detail will be available (new survey will get 1998/99 data).	SIC coverage and content through 1998; NAICS changes start with 1998/99 in SITS Health sector (available November 2000) and multi-sector (available January 2001) reports.
Annual Survey of Communication Services (ASCS, will be replaced by new SITS)	Industry coverage will expand to include industry groups in new Information sector and continue in new SITS; selected receipts detail will be available (new survey will get 1998/99 data).	SIC coverage through 1998; NAICS changes start with 1998/99 in SITS Information sector report (available October 2000).
Service, Information, and Transportation Survey (SITS; new, will replace TAS, SAS, and ASCS)	New survey; industry coverage and data content will reflect changes outlined in TAS, SAS, and ASCS above (new survey will get 1998/99 data).	SIC coverage and content through 1998 in TAS, SAS, and ASCS; NAICS changes start with 1998/99 in new sector-based reports (available first in October 2000).
Industrial Research and Development (IR&D, annual)	Reports will reflect new NAICS industries and structure (selected 1997 and 1998 data will be recast to NAICS basis).	SIC structure through 1998; NAICS changes start with 1999 (available March 2001).
Annual Trade Survey (ATS)	Industry coverage will reflect new NAICS concept and industries (reports will include seasonally adjusted and historical estimates; new survey will get 1998/99 data).	SIC concept and industries through 1998; NAICS changes start with 1998/99 (available by June 2001).
Monthly Wholesale Trade Survey (MWTS)	Industry coverage will reflect NAICS concept and industries (reports will include seasonally adjusted and back estimates to 1992 where possible).	SIC concept and industries through 2000; NAICS changes start with April 2001 (available by June 2001).

Table 5—continued

Survey	Changes	Schedule
Annual Retail Trade Survey (ARTS)	Industry coverage will reflect NAICS concept and industries, continue food and beverage, and include accommodation; nondurable-durable goods detail will be dropped (reports will include seasonally adjusted and historical estimates; new survey will get 1998/99 data and be renamed the <i>Retail, Accommodation and Food Services Survey (RAFSS)</i>).	SIC concept, industries and content through 1998; NAICS changes start with 1998/99 (available by June 2001).
Monthly Retail Trade Surveys (MARTS, MRTS)	Industry coverage will reflect new concept and industries, and continue food and beverage sales (reports will include seasonally adjusted and back estimates to 1992 where possible).	SIC concept and industries through 2000; NAICS changes start with April 2001 (available by June 2001).
Manufacturers' Shipments, Inventories, and Orders (M3, monthly)	Industries covered will reflect restructured NAICS Manufacturing sector (reports will include seasonally adjusted and back estimates to 1992 where possible).	SIC industries through 2000; NAICS changes start with first-half 2001 (available by June 2001).
Quarterly Financial Report (QFR) Survey	Industry coverage will reflect new NAICS concepts and industries (reports will restate data to NAICS basis for four prior quarters).	SIC concepts and industries through 2001; NAICS changes start with 4Q 2001 (available April 2002).



The Census Bureau's plans to implement NAICS United States in current survey programs are not yet final. However, initial plans make it clear that NAICS will result in substantive survey changes, including changes in coverage and data products for selected service industry and current indicator programs. For example, a new Service, Information, and Transportation Survey (SITS) will feature expanded industry coverage of information, finance, messenger, and waste management services. **Table 5** outlines the kinds of changes the Census Bureau is planning to make in 15 selected current economic programs.

As with census-related surveys, some current survey programs do not classify businesses by industry and are not affected by NAICS implementation. These are primarily construction data programs and include the Housing Starts and Building Permits, New One-Family Houses Sold and For Sale, Value of Construction Put in Place, Housing Completions, Manufactured (Mobile) Homes, and Expenditures for Residential Improvements and Repairs programs.

In addition to statistical agencies, NAICS United States implementation actions are being considered by a variety of other agencies whose programs use industrial classifications or information. For example, government procurement procedures may vary by industrial classification, small business assistance programs may have classification-based eligibility criteria, and occupational safety and other regulations may reflect industry-based differences. Agencies responsible for such other "nonstatistical" programs will be considering NAICS-based changes in coming months and years.

North American Perspective

NAICS was developed, is being implemented and will be maintained by statistical agencies of Canada, Mexico and the United States. When fully implemented, industrial statistics for all 3 countries will be comparable to the agreed-upon levels of NAICS detail, much better analysis of national and collective economic performance will be possible, and completely new information about cross-border trade flows and business markets will be available.



For Canada, the *NAICS Canada Manual* has been published, implementation will take place over the period 1997-2000, annual business surveys will be converted to NAICS Canada starting with 1997, and the Internet site www.statcan.ca/english/Subjects/Standard/index.htm provides additional information. For Mexico, NAICS implementation is also underway, the 1998 Economic Census will use NAICS Mexico industry classifications and more information is available at the Internet site www.inegi.gob.mx/homeing/conteosciani.html.

Adjusting to NAICS

To obtain the benefits of NAICS, users of industrial statistics will need to review and adjust their data sources, methods, analyses, and products. NAICS United States continues 422 previous SIC industries without substantial change and creates 38 industries that are traceable to SIC counterparts. Data for these industries should remain comparable or be derivable in both classification systems.

However, even for these industries, uses that rely on classification code numbers and official nomenclature will need to be revised, and uses of higher-level hierarchical groupings should be assessed to confirm comparability.

Additional adjustments will be needed by users of data for the 390 industries that NAICS United States has redefined and the 320 industries that are new and untraceable. For these six-digit industries, there are no directly comparable SIC- and NAICS-based data. Use of data for these industries will require new methods of estimating comparable data and in some cases adequately comparable estimates may not be feasible. Examples of industries for which SIC and NAICS United States industries are not comparable include:

- SIC Industry No. 2771, Greeting Cards. This previous industry covered both publishing and printing. NAICS United States provides a separate U.S. industry for greeting card publishing (No. 511191) but distributes

Table 6. **1997 NAICS Matched to 1987 SIC**

NAICS Code	NAICS Description	Status Code	SIC Code	SIC Description
5111	Newspaper, Periodical, Book, and Database Publishers			
51111	Newspaper Publishers	E	2711	Newspapers: Publishing, or Publishing and Printing
51112	Periodical Publishers	R	2721 *2741	Periodicals: Publishing, or Publishing and Printing Miscellaneous Publishing (Shopping News)
51113	Book Publishers	R	2731 *2741	Books: Publishing, or Publishing and Printing Miscellaneous Publishing (Technical Manuals and Books)
51114	Database and Directory Publishers	N	*2741 *7331	Miscellaneous Publishing (Database Publishers) Direct Mail Advertising Services (Mailing List Compilers)
51119	Other Publishers			
511191	Greeting Card Publishers—U.S.	R	*2771	Greeting Cards (Publishing Greeting Cards)
511199	All Other Publishers—U.S.	R	*2741	Miscellaneous Publishing (Exc. Database, Sheet Music, Shopping News, and Technical Manuals and Book Publishing)

greeting card printing among five different U.S. industries (No. 323110, 1, 2, 3, and 9), which include other kinds of printing that use the same process.

- NAICS Industry No. 54142, Industrial Design Services. This new industry covers a variety of business and industrial product design services. However, it is one of 36 new industries that were previously combined without separate identification in one SIC classification (Industry No. 7389, Business Services, Not Elsewhere Classified).

The NAICS United States Manual is the single most useful tool for those wanting to understand and adjust to the new system. This Manual makes it possible to examine NAICS United States in detail for all new classifications.

The printed Manual provides a definition of each NAICS United States classification and an index to all NAICS codes. The CD-ROM version provides a more detailed index than could be included in the printed edition. In addition, the disc includes database formats so that the index entries can be imported by users and vendors into their own industry look-up systems.



The most important features of the Manual for users making the transition from SIC- to NAICS-based statistics are correspondence tables which detail the relationship between NAICS United States and SIC classifications. These tables are included in the CD-ROM disc and available at the Internet site www.census.gov/naics. Both electronic versions of the tables contain clarifying information not included in the printed Manual.

The first table, *1997 NAICS U.S. Matched to 1987 SIC*, shows all NAICS United States classifications and the SICs or parts of SICs that comprise each classification. NAICS United States classifications that are not comparable for the United States, Canada, and Mexico are identified with superscripts, and SICs that are only partially included in NAICS United States classifications are identified by asterisks and parenthetical texts. The electronic versions also provide status codes that show which NAICS industries are new, revised, and unchanged. **Table 6** illustrates electronic version NAICS-to-SIC correspondence information for one NAICS Industry Group.

The second table, *1987 U.S. SIC Matched to 1997 NAICS*, shows all SIC industry classifications and their relationship to counterpart NAICS United States classifications. NAICS United States classifications that include parts of other SICs are identified by the symbol "(pt)." Electronic versions of the table also identify SIC classifications that cannot be approximated from NAICS-based data with an "@" symbol. These are the 230 SIC industries where it is estimated there will be a break in the time series of greater than 3 percent in value of 1992 output (e.g., sales or shipments). **Table 7** illustrates electronic version SIC-to-NAICS correspondence information for two SIC industries.

To complement the correspondence tables, users may also obtain the 1997 Economic Census, *Bridge Between NAICS and SIC Report*. This report extends the correspondence tables by providing selected 1997 data for the United States separately tabulated for each six-digit NAICS United States and

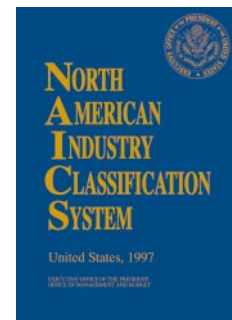


Table 7. **1987 SIC Matched to 1997 NAICS**

SIC Code	SIC Description	NAICS Code	NAICS Description
7361@	Employment Agencies		
	Executive Placing Services	541612	Human Resources and Executive Search Consulting Services (pt)
	Except Executive Placing	56131	Employment Placement Agencies Services (pt)
7363	Help Supply Services		
	Temporary Help Supply	56132	Temporary Help Services
	Employee Leasing Services	56133	Employee Leasing Services

four-digit SIC classification. The data presented are number of establishments, sales or receipts, payroll, and employment. These data can be used to assess the economic significance of NAICS United States industry changes and to develop adjustments to previous methods, analyses, and data products.

Developing Time Series

Users adjusting to NAICS United States will be challenged to maintain or create needed time-series statistics. Economic data for one point in time can be useful. However, point-in-time data are often made more useful by including comparable data for other periods of time. Except for industries that continue without change or can be traced to the SIC, implementing NAICS United States will require users of business statistics who need time-series statistics to make at least three types of adjustments:

- **Maintain future SIC-based series.** For the 544 SIC industries that are not continued or cannot be identified in NAICS United States, SIC-based statistics will gradually disappear as NAICS United States is implemented in major data programs. Most agencies do not have adequate resources to produce both NAICS- and SIC-based data. Users interested in future statistics for these industries will need to develop new estimating methods to fill this growing information gap.
- **Create historical NAICS-based series.** For the 710 new and revised NAICS industries that cannot be identified in the SIC, the first NAICS-based statistics will be for calendar year 1997. Prior to 1997, data were not collected on a NAICS United States basis and do not exist. Users interested in historical trends in NAICS United States industries will need to develop new methods of estimation to create this information. Developers and users of these statistics should remember that many NAICS United States industries are new and were not active in our economy during earlier historical periods.

- **Extend available data detail.** Economic census and other reports will provide data and estimates on both a SIC- and NAICS-basis, and agencies and other entities will develop some estimates of future and historical time series. However, this information may not contain all detail needed for particular industries or smaller geographic areas. Users interested in additional detail will need to develop new methods of extending otherwise available estimates and reported data.



Census Bureau information can help users address some but not all of the NAICS United States time series needs. The 1997 bridge report will be an indispensable resource because it will provide basic data items (for 1997) tabulated for the United States and by detailed SIC and NAICS United States industry. After publication of the bridge report, the Bureau will develop some NAICS-based estimates for the United States and back to 1992 for the purpose of seasonally adjusting selected monthly economic indicator reports. In addition, early in 2000, the *1998 County Business Patterns* (CBP) report will provide NAICS-based estimates of number of establishments, employment, and payroll for each county.

A further challenge for users of multiple data series is the differing pace of NAICS United States implementation. NAICS United States is being implemented by agency and program over a period of at least 6 years. During this transition period some data series will become NAICS-based and others will continue to be SIC-based. This may require temporary adjustments by users of some multiple data series. For example, current manufacturing output statistics will be based on NAICS United States several years before industry-based employment statistics. This may require adjustments for productivity and other kinds of analysis.

**North American Industry
Classification System...**
your bridge to the future

A variety of information resources are available to help users of business statistics understand and use NAICS United States. This booklet identifies many of these resources. Additional information, answers to frequently asked questions, and updated agency implementation plans are available at the Census Bureau's Internet site www.census.gov/naics. Answers to specific classification and data program inquiries may also be addressed to industry experts at:

Phone: 1-888-75NAICS

E-mail: naics@census.gov

The NAICS United States Manual is the primary initial resource, and copies (printed volumes and CD-ROMs) are available for purchase from the National Technical Information Service at:

1-800-553-6847

**1-703-605-6000, or
www.ntis.gov/naics**



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